

## PREVENTION OF CRIMES OF MONEY LAUNDERING, FINANCING OF TERRORISM AND BRIBERY POLICIES (LAW NO. 20,393)

### I. INTRODUCTION

In accordance with Law No. 20,393, which establishes criminal liability for legal entities in the crimes of Money Laundering, Financing of Terrorism and Bribery, companies must implement a Crime Prevention Model.

In this regard, the Law establishes the following:

“Article 3.- Attribution of criminal liability. Legal entities will be liable for the crimes referred to in article 1 that were committed directly or indirectly in their interest or for their advantage, by their owners, controllers, responsible people, senior executives, representatives or whoever performs management or supervision activities, as long as the commission of the crime was a consequence of the breach of their duties of management and supervision.

Under the same assumptions of the previous paragraph, legal entities will also be responsible for crimes committed by individuals under the management or supervision of any of the persons mentioned in the previous paragraph.

Management and supervision duties will be considered fulfilled when, before the crime was committed, the legal entity adopted and implemented models of organization, administration and supervision to prevent crimes like the one committed, as provided in the following article.

Legal entities will not be responsible when the people mentioned in the previous paragraphs committed the crime exclusively for their own benefit or that of a third party.”

It is relevant to note that the aforementioned is notwithstanding the individual responsibilities for the commission of any of the referenced crimes, which will be legally prosecuted.

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For purposes of Law No. 20,393, SQM has considered the designation of a Compliance Officer as the Crime Prevention Manager, the preparation of this Crime Prevention Policy that forms part of SQM's Code of Ethics, and has prepared a **Crime Prevention Model** (hereinafter **CPM**), together with other Company policies, which are referenced throughout this document.

### II. OBJECTIVES

The purpose of this policy is to establish a mechanism to prevent the crimes of Money Laundering, Financing of Terrorism and Bribery, in order to comply with article 4 of Law No. 20,393. This policy guides and instructs SQM employees about the measures for mitigating the risks to which the Company is exposed.

### III. SCOPE

This Policy and the CPM, as well as the Code of Ethics in which it is inserted, will govern all SQM employees, directors, senior management, senior executives, managers, workers, temporary personnel, contractors and consultants of the Company, regardless of their physical location.

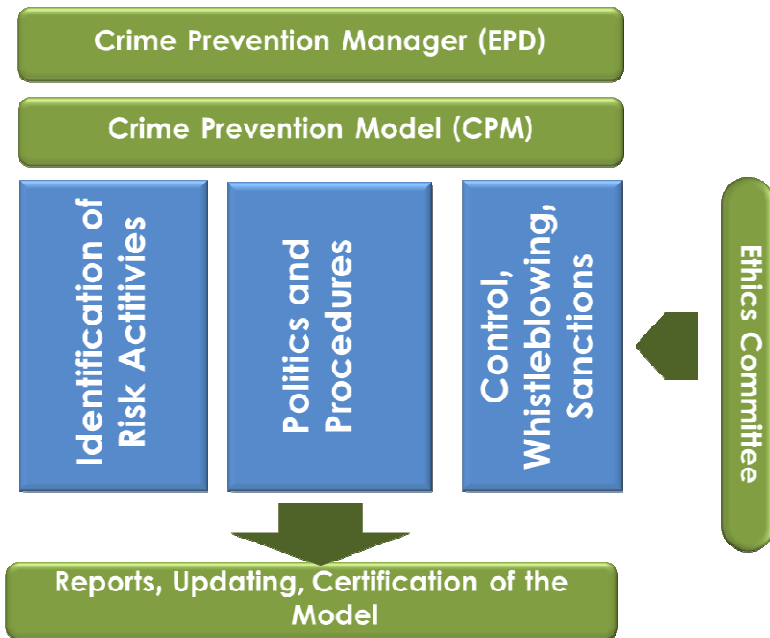
SQM requires from all of its personnel, whether commercial, operational and from the support areas, correct, strict and diligent behavior in the compliance with the FPCA, anti-corruption act and prevention of crimes of Money Laundering, Financing of Terrorism, and Bribery Policies, established by the N°20.393 Chilean law. SQM Employees and Directors recognize and accept that the responsibility in these matters is everyone's job.

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**IV. CRIME PREVENTION MODEL (CPM)**

A set of elements whose objective is to prevent Company employees from getting involved in any illegal activity related to Money Laundering, Financing of Terrorism and/or Bribery, in which the Company might be held liable. The purpose of these elements is to comply with the requirements of a "Crime Prevention System" in accordance with Law No. 20,393 and the implementation of "Policies and Procedures to prevent bribery" under the UK Bribery Act.

This CPM contemplates, among other things, the following elements: identification of activities or process in which the risk of committing crimes is generated or increased; establishment of protocols, rules and specific procedures to prevent the commission of the crimes; order, health and safety procedures that establish sanctions for non-compliance, training plan, whistleblowing procedures or prosecution of financial responsibilities against the people who breach the Crime Prevention System (as shown in Figure 1).



**IV. 1.- CRIME PREVENTION MANAGER (EPD)**

The EPD shall be appointed by the Board of Directors, a fact that must be recorded in the minutes of the board meeting in question. In this case, the Compliance Officer has been appointed EPD, so in addition to ensuring compliance with the Code of Ethics in general, will be in charge of monitoring, evaluating, and ensuring the implementation and compliance with the anti-corruption practices that SQM has implemented, specifically as regards to the crimes of Money Laundering, Terrorist Financing, and Bribery covered by the Crime Prevention Model. This is in accordance with article 4 of Law No. 20,393. This appointment will be for a maximum period of three years, and it can be extended by the Board for up to an additional three years.

**a) Means and authorizations of the EPD**

- Have access to the Board of SQM to report on the performance of his or her duties and maintain autonomy from the management of SQM, its shareholders and controllers.
- Have a budget approved by the Board, and personnel under his or her supervision.
- Have the basic tools for the proper functioning of his or her duties, such as office, meeting room, computer, and others.
- Have unrestricted accessing to all areas of the Company to carry out specific investigations, request and review information and monitor the compliance with the Crime Prevention System.

**b) Responsibilities of the EPD**

- Control the execution and implementation of the prevention of crimes of Money Laundering, Financing of Terrorism and Bribery laws and regulations.
- Determine specific audits to verify the compliance with these laws and regulations. Promote the design of proper procedures for the prevention and control of the crimes established by Law No. 20,393.
- Maintain a database and/or inquiry system to identify PEP Links and inclusions on Blacklists.
- Keep the Prevention of Crime of Money Laundering, Financing of Terrorism and Bribery Policies up to date. In addition, verify that the Standards of Conduct Policies and the internal regulations and

procedures are kept updated, in accordance with the relevant legal changes in the country.

- Verify the design and execution of a training program for the compliance with the Crime Prevention System, directed to the employees of SQM.
- Verifying the effectiveness of the whistleblowing procedure and its related means.

#### IV. 2.- ETHICS COMMITTEE

SQM has established an Ethics Committee, consisting of the CEO, the Vice-President of People and Sustainability, the General Counsel and the Compliance Officer (or EPD), to supervise the compliance with the Code of Ethics and to carry out the following duties:

- Define and apply the appropriate sanctions for breaching the policies.
- Adopt the appropriate measures for SQM to exercise all the civil and legal actions, and at the same time, pursues the application of the appropriate sanctions against anyone who violates the Code of Ethics or engages in conduct prohibited in Law No. 20,393.
- Report the appropriate facts to the Federal Prosecutor.

The appropriate sanctions will be applied to the employee by his direct supervisor, General Manager or Vice-President of the area, or by the Vice-President of Human Resources and Sustainability.

#### IV. 3.- ACTIVITIES THAT INCREASE RISK

SQM has identified activities that increase the risk of committing the crimes of money laundering, terrorist financing, and bribery indicated by Law No. 20,393. These include:

1. Hiring an Employee
2. Donations, Contributions, and Sponsorships
3. Consulting services and fees
4. Rental of Property
5. Suppliers and Service Providers
6. Registry of documents with tax effects (invoices, receipts, export documents)
7. Representatives, Distributors, Agents
8. Administration of Soda Ash, Ammonium Nitrate, and Explosives
9. Funds to render and rendering of expenditures
10. Collection of monies in cash
11. Relations with Public Entities and Conflict of Interest
12. Purchase/sales of Real estate and Intangibles
13. Management of Financial and Confidential Information

#### IV. 4.- CRIME PREVENTION SYSTEM

The Crime Prevention System is composed of:

- ✓ This Code and all of its policies.
- ✓ The Internal Regulations on Order, Hygiene, and Safety which incorporate the prohibitions, obligations, and sanctions of employees in relation to their conduct in preventing the commission of crimes referred to in Law No. 20.393.
- ✓ For each one of the activities the associated risk is identified, along with the crime, the area involved, and policies, procedures and/or controls are established that adequately mitigate the risks.
- ✓ Training
- ✓ Control, Monitoring, Whistleblowing system, Sanctions, Supervision, and Certification

Some of the policies and procedures for mitigating risks include the following:

<b>Employment Contract</b>	❖ Clauses with obligations, prohibitions and sanctions related to the matters regulated by Law No. 20,393 are included in employment contracts.
<b>Contracts with third parties</b>	❖ Clauses are incorporated into contracts with obligations, prohibitions, sanctions, related to the matters covered by Law No. 20,393, adherence to the SQM Code of Ethics and its crime prevention policies. The anticipated termination of the contract should be stipulated in the event that the contractor participates in the crimes under Law No. 20,393.
<b>Third Party Statements</b>	❖ All suppliers who are incorporated into the SQM databases, with some exceptions (e.g. legal retentions, or others which must be approved by the EPD) should have a declaration which states, among other things, that they will not participate in the crimes referred to in Law No. 20,393, and are aware of SQM's crime prevention policy in matters covered by Law No. 20,393 and, in their actions, they will fully adhere to it.
<b>Funds to Account For and Expense Reimbursements</b>	❖ Every form used to account for expenses or to request reimbursements will include a declaration that states that the funds will not be used for illegal acts, especially those established by Law No. 20,393.
<b>Cash Collection</b>	❖ In the case of cash collections that exceed US\$10,000, a fund declaration form must be completed in order to ensure that these funds are not related to money laundering.

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<b>Sensitive Substance Management</b> (Ammonium Nitrate, Explosives, Soda Ash)	❖ Special care must be taken in every stage of the management, dispatch, inventory and consumption of the products used or managed by SQM that are classified as essential chemicals susceptible of being used in the illegal manufacture of narcotic or psychotropic drugs, and explosives or explosive bases, in order to comply with all laws related to the management of this kind of product and prevent their use in acts related to terrorism and drug production or trafficking.
<b>Expenditures necessary to generate income</b>	❖ All expenses incurred by SQM are required to have a valid business purpose; employees cannot make expenditures in the name of SQM that have a different purpose. It is understood, however, that in special situations, the Company may be required to make expenditures that could be considered as non-deductible expenses by Chilean IRS, this kind of expense, must be reported to the SQM's Tax area in accordance with the procedures implemented by SQM, in order to appropriately calculate the related taxes.
<b>Due Diligence of Third Parties, Joint Ventures, Co-Branding, Representatives</b>	<p>❖ In the Due Diligence investigation of third parties, suppliers, contractors, lessees, grantees, representatives, potential partners, etc., in addition to commercial and financial aspects, the behavior of the latter with respect to the crimes of money laundering, terrorist financing, and bribery indicated in Law No. 20,393 should be considered.</p> <p>❖ This analysis is done through the Compliance Area, which uses a third party service that provides supplier information regarding whether it is a Public Official, PEP, or linked to a PEP, or if it is on international blacklists or national lists of people (natural or legal) linked to these crimes. In the case of registered suppliers the information available for consultation can be used (intranet, Policies and Procedures, and supplier's Blocking records in Auxiliary Books).</p> <p>❖ To include a supplier in SQM's database it is mandatory to do this consultation through the Compliance Area.</p>

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<p><b>Purchase and Sales of real estate and intangibles</b></p>	<ul style="list-style-type: none"> <li>❖ Every time there is a purchase or sale of land or other fixed assets, the purchasing or selling entity must be evaluated in order to avoid doing business with entities linked to terrorism or money laundering activities.</li> <li>❖ The purchase or sale of land or other fixed assets transaction and the counterpart must be evaluated for any suspicious situation regarding Money Laundering or Financing of Terrorism, described in number 8 of the "Alerting Signals indicating Money Laundering for the Financial System and Other Sectors" issued by the Financial Analysis Unit (UAF). If a suspicious situation is encountered, it must be reported through the established reporting mechanism so it is analyzed and managed. The evaluation made when purchasing/selling land or other fixed assets must be properly evidenced, including the determination of its price.</li> </ul>
<p><b>Other relevant Policies of this Code in Crime Prevention Model (CPM)</b></p>	<ul style="list-style-type: none"> <li>❖ Resolution of Conflicts of Interest (p. 10 – 11)</li> <li>❖ Relations with Public Entities (p. 12 – 14)</li> <li>❖ Travel, Travel expenses, and Reimbursement (p. 17 – 18)</li> <li>❖ Donations, Contributions, and Sponsorships (p. 19 – 20)</li> <li>❖ Prevention Policies against Activities involving illegal Drugs (p. 21)</li> <li>❖ Commercial, Financial, and Tax Records (p. 23 – 24)</li> <li>❖ Handling information of Interest for the Market (p. 25 – 26)</li> <li>❖ Security and Information Use (p. 27 – 31)</li> <li>❖ Whistleblowing Policy (p. 32 - 36)</li> <li>❖ Definition of Sanctions (p.47)</li> <li>❖ Training (p. 48)</li> </ul>

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**IV. 5.- AUDIT PROCESS**

The Audit Process includes an auditing plan and monitoring of controls, which shall be submitted to the Directors Committee at least twice a year.

The EPD must include in the Annual Audit Plan the realization of specific audits to periodically verify the operation of the controls implemented to mitigate the risk of committing the crimes established by Law No. 20,393. He or she will define the necessary elements of the audit, such as the kind of audit to be performed, matters to be reviewed, audit frequency, controls to be reviewed, etc..

Every transaction that triggered an investigation into the commission of the crimes defined in this Manual must be recorded. This record must be kept for a period of five (5) years.

The whistle blowing or denouncement procedure and the availability of means to make such a report are key; the Compliance Officer should be concerned about the diffusion of said means in addition to assessing their effectiveness.

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